Government of
Saskatchewan

Saskatchewan Teachers' Superannuation Commission

STRATEGIC PLAN

Version 1.11

October 2012

Revision History

Version	Date	Description	Author
1.0	October 10, 2006	Document Created	David Barnard, Executive Director
1.1	December 6, 2006	Document Revised.	David Barnard
1.2	March 7, 2007	Document Revised.	David Barnard
1.3	May 2, 2007	Document Revised.	David Barnard
1.4	July 11, 2007	Document Revised.	David Barnard
1.5	September 10, 2007	Document Revised.	David Barnard
1.6	January 8, 2008	Added Revision History, updated logo to Coat of Arms and revised Department of Learning to Ministry of Education.	Shirley Robertson, A/Executive Director
1.7	October 14, 2008	Document Revised – 2008-09 Commission Planning	Doug Volk, Executive Director
1.8	November 26, 2009	Document Revised – 2009-10 Commission Planning	Doug Volk, Executive Director
1.9	December 8, 2010	Document Revised – 2010-11 Commission Planning	Doug Volk, Executive Director
1.10	December 16, 2011	Document Revised – 2011-12 Commission Planning	Doug Volk, Executive Director
1.11	October 17, 2012	Documented Restated – 2012-13 Commission Planning Appendix A updated for funding status of TSP as at June 30, 2012	Doug Volk, Executive Director

Overview

Nature of the Commission

The Saskatchewan Teachers' Superannuation Commission (STSC or Commission), established pursuant to *The Teachers' Superannuation and Disability Benefits Act* (Act), has a mandate to manage and direct the affairs of the pension plan, disability benefits plan, dental plan and group life insurance plan for teachers. The Commission, administratively attached to the Ministry of Education, is responsible to the Minister of Education and the expenses of the Commission are appropriated by the legislature through the Ministry of Education's budget.

From a funding perspective, the Minister of Finance holds the pension funds in trust, pays the balance of pension benefits that cannot be paid from plan assets, and funds a portion of the life insurance premiums and all of the dental plan benefits. The Minister of Finance has delegated to the Commission certain authorities associated with the Teachers' Superannuation Fund and Voluntary Contribution Fund. These delegated authorities include the establishment of the investment policy and the investment, disposition and management of the assets of the Teachers' Superannuation Fund and Voluntary Contribution Fund. The Minister of Education is responsible for the Act. The Commission's Governance Manual sets this out:

> 6.02 The Commission and each of its members shall carry out its duties and responsibilities with respect to the Plans honestly and in good faith and in the best interests of the members of the Plans and any other person to whom a fiduciary duty is owed. Furthermore, the Commission and each of its members shall act with the care, diligence and skill that a person of ordinary prudence would exercise in dealing with the property of another person. Each Commission member shall use all the relevant knowledge and skill that the member possess or, by reason of the member's profession, business or calling, ought to possess.

The composition of the Commission ensures that the perspectives of the beneficiaries of the various plans (teachers) and the plan sponsor (Government of Saskatchewan) are represented at the table. The Saskatchewan Teachers' Federation (STF) and Government each nominate three persons. The Chairperson is nominated by the other members of the Commission. All members are appointed by the Lieutenant Governor in Council. While it is acknowledged that each member may bring an organizational perspective, it is understood that each member is required to act in the best interests of the members of the plans.

In administering the Act, the Commission has a responsibility to ensure that the necessary services are provided. In so doing, the Commission is dependent on the resources allocated through the budget of the Ministry of Education. This requires building and maintaining awareness and support for the work and issues of the Commission within the Ministry and participation in the Ministry's administrative processes such as budget preparation and human resources planning.

The Commission must ensure that it has appropriate linkages with government to ensure it can meet its fiduciary responsibilities and obligations.

Any legislative changes with respect to the Commission or administration of the plans must first be agreed to by parties to the Provincial Collective Bargaining Agreement between the Government of Saskatchewan and the Boards of Education, and the Teachers of Saskatchewan before being presented for legislative approval.

Challenges and Opportunities in the current environment

This strategic plan is developed in the context of the current situation facing teachers, partner organizations, government and the Commission.

The pension plan is a closed plan and has been since 1980. The number of active teachers contributing to the plan is steadily declining while the number of retired teachers drawing allowances increases. The administrative functions relative to the pension plan are moving toward a pension payroll function only. The Fund itself will be depleted by 2030. The dental and group life insurance programs serve all teachers and these services will continue indefinitely.

The contributions required by the Minister of Finance to pay pension allowances continues to rise. This has accelerated due in part to a volatile investment market and teacher retirement experience.

The administrative team of the Commission is small and has a demographic profile that indicates a need for attending to succession planning and staff development. The Commission will continue to address these human resource matters in its annual planning.

It remains difficult to predict the annual rate of teacher retirement with the implications that has for service provision and for funding.

The Strategic Plan…in short

To fulfill its statutory obligations and to address the challenges, opportunities and initiatives, the STSC prepares a Strategic Plan. In so doing, the STSC must be mindful of the fundamental beliefs and values held by the key stakeholders; the Saskatchewan Teachers' Federation, the Superannuated Teachers of Saskatchewan and the government of Saskatchewan.

The Strategic Plan contemplates a number of risks identified in the Risk Assessment & Management Plan.

The Strategic Plan outlines four (4) **Key Functions** through which the STSC carries out its purposes.

Each Key Function involves a number of **Strategic Objectives** that the STSC appointed Commission and its Executive Director regularly review and revise on an annual basis in accordance with the STSC's governance. These Strategic Objectives indicate where the STSC is headed, at least in the foreseeable future.

For each Strategic Objective, the Strategic Plan highlights various **Strategic Actions** that the Commission will do so as to best carry out the STSC's purpose of providing appropriate pension, long-term disability, dental and group life insurance benefits to relevant Saskatchewan teachers.

Strategic Plan Application

- It is designed to highlight and communicate the nature of the services represented by the STSC;
- It is intended to maintain the focus on *activities* that best address relevant risks and ensure statutory obligations are being met;
- It is structured to be concise, practical, and manageable, relying on reference documents that contain greater detail (i.e. risks, communication, information systems); and
- It facilitates healthy governance in identifying measurable objectives through which measurement against plan and reporting can occur.

Key Functions

Governance

- Carry out the STSC's purposes as set out in relevant legislation for the: Pension Plan, Disability Benefits Plan, Dental Plan, and Group Life Plan;
- Exhibit leadership in fulfillment of fiduciary duty;
- Establish STSC policies; and
- Provide an operational and governance framework; communicate and report on it.

Administration

- Support the provision of pension allowances, and disability, dental and group benefits to teachers in accordance with legislation;
- Maintain and safeguard the STSC's assets directly and indirectly through agents and advisors;
- Support the Commission and government agencies as requested;
- Implement Commission policies and directives;
- Add value and manage risks associated with the STSC's business portfolio; and
- Enrich and develop the STSC's human resources.

Member Services

- Assist/Enable teachers to understand the options available to them respecting their pension, disability benefits, dental and group life coverage;
- Support teachers through timely, responsive and appropriate communication; and
- Render services with personalized care and attention, with integrity, fairness and efficiency.

Affiliate Services

- Support teachers through cooperative, progressive relationships with teacher related organizations (i.e. School Divisions, Saskatchewan Association of School Business Officials (SASBO), League of Educational Administrators, Directors and Superintendents (LEADS))
- Work with the Saskatchewan Teachers' Federation (STF) and Superannuated Teachers of Saskatchewan (STS) where possible and invited to do so in support of Saskatchewan teachers.

Strategic Objectives

Governance

- Monitor, evaluate and report on the effectiveness of the STSC's governance structures ensuring compliance with relevant legislation and policies;
- Encourage and foster a shared understanding of the STSC's governance structure and organizational processes within government, teacher membership and associated agencies;
- Encourage innovativeness in the identification and analysis of ways to add value and manage risks.

Administration

- Ensure effective operation of the STSC's governance structure in accordance with legislation and policies; and
- Establish and implement effective ways to carry out the STSC's Key Functions and Strategic Objectives.
- Anticipate expectations of the Provincial Auditor and work effectively with the Auditor to ensure processes are in place to meet these expectations.

Member Services

- Identify, implement, measure performance against relevant service standards; and
- Ensure continuity and consistency of service received.

Affiliate Services

- Seek collaboration and initiate activities that increase service to membership, or add value and minimize risk to teachers or the people of Saskatchewan.

Strategic Actions - Governance

Monitor, evaluate and report on the effectiveness of the STSC's governance structures ensuring compliance with relevant legislation and policies

Encourage and foster a shared understanding of the STSC's governance structure and organizational processes within government, teacher membership and associated agencies

Encourage innovativeness in the identification and analysis of ways to add value and manage risks

1. Evaluate, report and communicate in accordance with governance manual procedures;
2. In consultation with our investment consultants and managers, monitor the asset mix and investment strategy for the Teachers' Superannuation Plan;
3. Foster regular dialogue with the Ministry of Education and Ministry of Finance;
4. Maintain effective communication directly or indirectly to teachers, school divisions, Saskatchewan Teachers' Federation, Superannuated Teachers of Saskatchewan, League of Educational Administrators, Directors and Superintendents of Saskatchewan as well as the Saskatchewan Association of School Business Officials in relation to governance of the STSC;
5. Participate in professional development opportunities that expand the expertise and knowledge of the Commission to understand the STSC's key risks and to manage them.

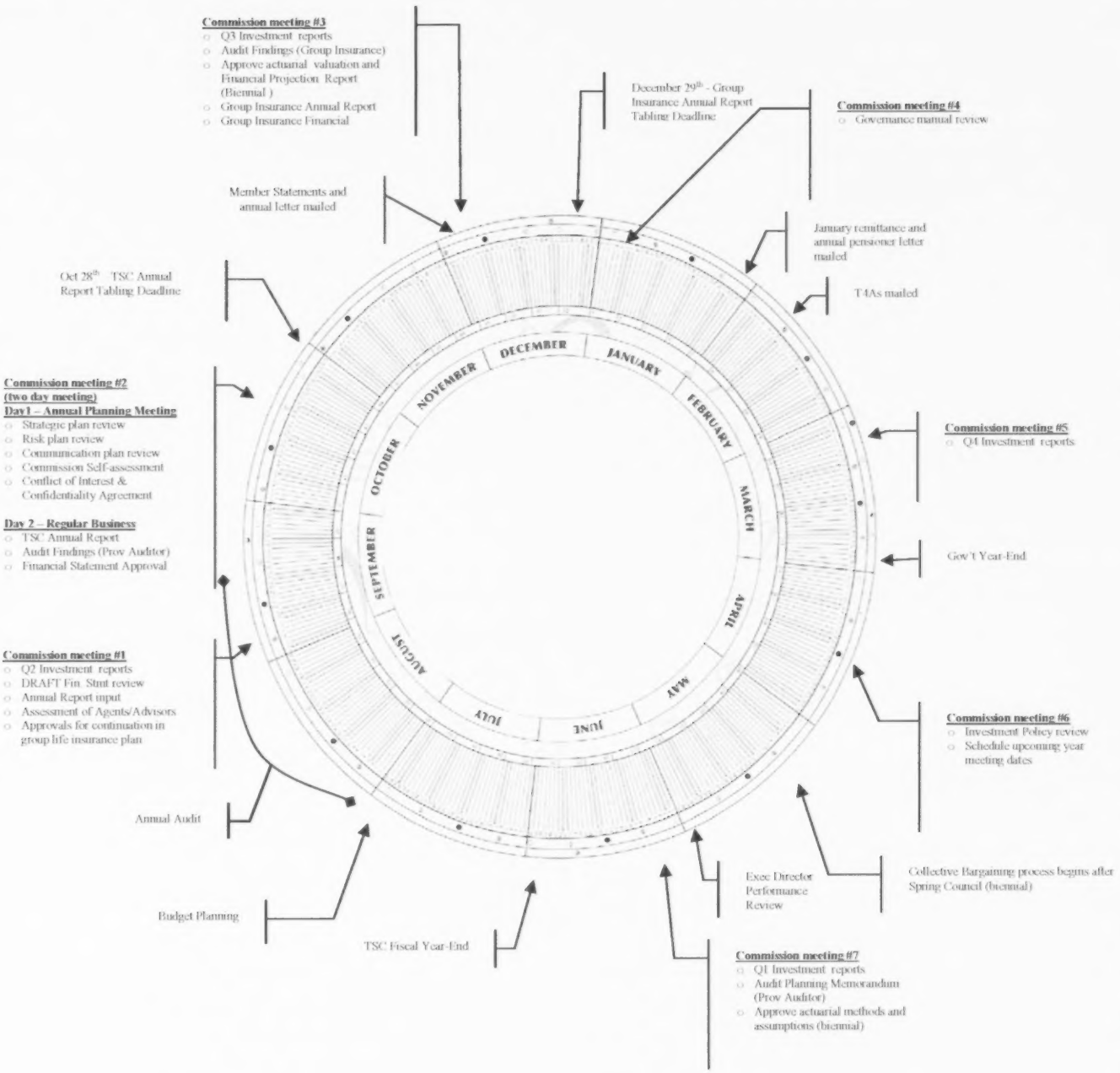
Strategic Actions - Administration

Ensure effective operation of the STSC's governance structure in accordance with legislation and policies	1. Review and provide administrative supports for the STSC's governance to ensure activities are being completed as planned
Establish and implement effective ways to carry out the STSC's Key Functions and Strategic Objectives	2. Monitor and refine the strategic plans to include risk assessment in the development of programs, systems, staff and other resources utilization 3. Identify and ensure appropriate allocation and management of the STSC's capital assets, investments, human, and financial resources 4. Support professional and organizational development for Commission members and administrative staff 5. Maintain and review the Information Systems Strategic Plan and Information Systems Risk Assessment & Management Plan, along with other supporting documentation as part of regular Branch Work Plan 6. Maintain and review an effective Communication Plan in relation to communications within the STSC, the government, Saskatchewan Teachers' Federation, Superannuated Teachers of Saskatchewan, League of Educational Administrators, Directors and Superintendents of Saskatchewan, Saskatchewan Association of School Business Officials as well as school divisions and other teacher related organizations to inform and enhance member service 7. Maintain and review an effective Risk Assessment & Management Plan
Provide effective oversight of the administrative operations of the STSC	8. Anticipate and respond appropriately with procedural changes with respect to the recommendations of the Provincial Auditor. 9. Respond and receive regular updates on the Administration activities of the STSC

Strategic Actions - Member Services

Identify and assess performance measurement against relevant service standards	1. Review best practices, costs and relevant service standards to bench mark benefit plans; 2. As possible and invited, support the activities of the Saskatchewan Teachers' Federation and Superannuated Teachers of Saskatchewan in serving teachers; and
Ensure continuity and consistency of service received	3. Plan alternatives for delivery of service strategies 4. Enhance the internal quality control processes and procedures and implement cross-training, education and mentoring in order to hedge against a breach in service.

Annual Planning Calendar



Appendix A: Current Funding Status of the Saskatchewan Teachers' Superannuation Plan

As at June 30, 2012, the Saskatchewan Teachers' Superannuation Plan has actuarial net assets available for benefits of $0.727 billion, actuarial accrued pension benefits of $5.898 billion which results in an unfunded liability of $5.171 billion.